

ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**Talmadge
Maintenance Assessment District**

Annual Update for Fiscal Year 2004

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

**BOYLE ENGINEERING CORPORATION
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May 2003

CITY OF SAN DIEGO

Mayor

Dick Murphy

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District 1

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District 5

Michael Zucchet
District 2

Donna Frye
District 6

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District 3

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City Manager

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City Clerk

Charles G. Abdelnour

City Engineer

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Engineer's Report

Talmadge

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the TALMADGE MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____ ,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: Talmadge
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2003	FY 2004 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	1,347	1,353	--
Total Estimated Assessment:	\$128,102	\$128,102	--
<i>Zone 1</i>	\$80,090	\$80,090	--
<i>Zone 2</i>	\$48,012	\$48,012	--
Total Number of EBUs:	1,601.28	1,601.28	--
<i>Zone 1</i>	1,001.12	1,001.12	--
<i>Zone 2</i>	600.16	600.16	--
Assessment per EBU:			
<i>Zone 1</i>	\$80.00	\$80.00	\$80.00
<i>Zone 2</i>	\$80.00	\$80.00	\$80.00

⁽¹⁾ FY 2004 is the City's Fiscal Year 2004, which begins July 1, 2003 and ends June 30, 2004. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBUs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum Authorized annual amounts subject to cost indexing provisions as set forth in this Engineer's Report.

District History: In Fiscal Year 2001, by a ballot proceeding, majority property owners approved the formation of the District, Fiscal Year 2001 and maximum authorized assessments for subsequent years, and provisions for annual cost indexing.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is not required for Fiscal Year 2004.

Bonds: No bonds will be issued in connection with this District.

Background

The Talmadge Community is generally situated between Fairmount Avenue and Collwood Boulevard, north of Monroe Avenue. The area derives its name from the Talmadge sisters, two famous silent screen movie stars, who dedicated the neighborhood in the mid-1920s. In recent years, members of the community formed the Talmadge Beautification Committee (TBC) to develop a plan and oversee the implementation of various community improvements.

In 1999, TBC gathered community signatures and petitioned the City of San Diego (City) for the formation of the Talmadge Maintenance Assessment District (District). The purpose of the District is to fund installation and maintenance costs associated with existing and proposed ornamental lighting, decorative gates, landscaping, hardscape features (sidewalks, curbs, gutters, etc.), trees and other community-wide improvements.

In 2000, the City retained Boyle Engineering Corporation (Boyle) to prepare an Engineer's Report for the formation of the Talmadge Maintenance Assessment District. The Engineer's Report proposed Fiscal Year 2001 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing of the maximum authorized assessments. The Engineer's Report was approved and assessments confirmed in Fiscal Year 2001.

District Proceedings for Fiscal Year 2004

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Procedural Ordinance of 1986" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Engineer's Report is to update the District budget and assessments for Fiscal Year 2004. The Fiscal Year 2004 assessments proposed within this Engineer's Report do not represent an increase from the previous year's assessments. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map and Assessment Diagram for the District are on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego and by reference are made a part of this report. The Boundary Map and Assessment Diagram are available for public inspection during normal business hours. A reduced copy of the Boundary Map is included as Exhibit A.

The Boundary Map details the District boundary, zone boundaries, and approximate location of improvements. The District has been divided into two zones for benefit apportionment purposes. Zone 2 comprises the area which currently has ornamental street lighting.

Project Description

The project to be funded by the proposed assessments is the installation and maintenance costs associated with existing and proposed ornamental lighting, decorative gates, landscaping, hardscape features (sidewalks, curbs, gutters, etc.), trees and other community-wide improvements. All improvements to be maintained by the District fall within dedicated City public right-of-way. The approximate location of District improvements is shown in Exhibit A.

Certain lighting improvements (located within the District) were previously being maintained by Sub-District #73 (Talmadge Park) of

the Street Light Maintenance Assessment District #1. Maintenance of these specified improvements was transferred to the District as part of the Fiscal Year 2001 proceedings.

The engineering drawings for the improvements to be maintained by the District will be on file at Map Records in the City Engineer's office. The Talmadge Beautification Master Plan (dated May 2000) contains additional detail related to proposed District improvements, and is incorporated herein by reference. The specifications for the maintenance to be performed are contained in City Contract Number L4195/01, which is incorporated herein by reference. The specifications are on file with the City Clerk and the Park and Recreation Department and are available for public inspection during normal business hours.

The specifications for the maintenance to be performed is contained in City Contract Number L4195/01 which is incorporated herein by reference and will be on file with the City Clerk and the Park and Recreation Department, and will be available for public inspection during normal business hours.

Separation of General and Special Benefits

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (18.0¢ per square foot of landscaped median and 1.3¢ per square foot of hardscaped median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are considered to be a "general benefit" administered by the District. All other maintenance, operation, and administrative costs, which exceed the City's contribution to the public at large, are "special benefits" funded by District. As currently planned, the benefits of District improvements are considered entirely "special benefits."

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2004 annual expenses, revenues, reserves, and assessments (provided by the City) are included as Exhibit B hereto.

As previously mentioned, the District has been divided into two zones for benefit apportionment purposes. Zone 1 comprises the area which has existing "cobra head" style street lights, while Zone 2 encompasses that portion of the District which has existing ornamental street lighting.

For many years, it is estimated that the assessments collected in Zone 1 will largely be used to finance the capital costs associated with installation of ornamental street lighting. At no time will assessments collected in Zone 2 be used to finance the capital costs of Zone 1 lighting. Upon completion of street lighting within Zone 1, it is intended that the zone distinction be removed and assessments adjusted (if necessary).

Annual Cost Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 2001, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 2001 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 2002 was the first year authorized for such indexing. However, it

has been determined that an increase in assessments, as authorized by the cost indexing provisions, is not required for Fiscal Year 2004.

Method of Apportionment

Estimated Benefit of Improvements

The Transportation Element of the City's General Plan and the general policy recommendations found in the local Community Plan establish several goals for the community's transportation system. The improvements being maintained by this District are consistent with the plans' goals for safety and pleasing aesthetics.

With the exception of the capital costs of street lighting improvements in Zone 1 (previously described), all other District improvements are deemed to be community-wide for benefit apportionment purposes.

Apportionment Methodology

The total maintenance assessment for a given parcel is equal to the parcel's total equivalent benefit units (EBUs) multiplied by the unit assessment rate, as shown in the following equation:

$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Cost Per EBU}$

EBUs for each parcel have been determined as a function of two factors, a Land Use Factor and a Benefit Factor, related as shown in the following equation:

$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$
--

Each of these factors are discussed below.

Land Use Factor

Since the improvements to be maintained by the District are primarily associated with the Transportation Element of the City's General Plan and local Community Plan, trip generation rates for various land use categories (as previously established by the City's Transportation Planning Section) have been used as the primary

basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of the improvements maintained by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. Trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code.

Land use/zoning classifications have been grouped with average trip generation rates assigned to establish the Land Use Factors as shown in Table 1.

TABLE 1: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Residential – Single Family (detached)	SFD	1.0 per dwelling unit
Residential – Condominium	CND	0.7 per dwelling unit
Residential – Duplex	DUP	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Commercial – Office & Retail	COM	45.0 per acre
Educational – Primary & Secondary	EPS	5.0 per acre
Open Space (designated)	OSP	0 per acre
Undevelopable	UND	0 per acre
Utility Facility	UTL	3.0 per acre

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is sometimes permitted, these activities are usually allowed only to the limited extent consistent with the primary purpose of natural preservation. Since this land is essentially “unused” in the customary terms of land use (which relate to human use, not use by nature), the trip generation rate is zero. Therefore, the designated Open Space receives no benefit from the

Transportation Element and has been assigned a Land Use Factor of zero. Similarly, land determined to be Undevelopable receives no benefit and has been assigned a Land Use Factor of zero.

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements to be maintained by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements considered may include some or all of the following: public safety, view corridors and aesthetics, enhancement of community identity, drainage corridors, and recreational potential. As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements maintained by the district, Benefit Factors will generally vary from one district to another, based on the specific character and nature of the applicable land uses and improvements maintained.

The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various Land Use/Zoning categories within this District are as shown in Table 2.

TABLE 2: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (max. 0.3)	Aesthetics (max. 0.7)	Composite Benefit Factor (max. 1.0)
Residential – All	0.3	0.7	1.0
Commercial – Office & Retail	0.3	0.4	0.7
Educational – Primary & Secondary	0.3	0.4	0.7
Open Space (designated)	0.3	0	0.3
Undevelopable	0.3	0	0.3
Utility Facility	0.3	0	0.3

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements. Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of the improvements maintained by the District varies among land use categories. Generally, by nature of their use, residential lands receive the greatest benefit from the reduced traffic congestion, reduced noise levels, greater separation from traffic and generally more tranquil environment provided by such improvements. Commercial and institutional uses, on the other hand, often thrive on higher densities, greater traffic access, and a higher level of activity in the vicinity of their enterprises. These uses, accordingly, receive a lesser degree of benefit from the general insulation and separation provided by the aesthetic elements of District improvements.

Lands in the Open Space, Undevelopable, and Utility Facility categories are considered to receive no significant benefit from the aesthetic elements of District improvements, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

Unit Assessment Rate

The unit assessment rate for maintenance (unit cost per EBU) is equal to the total cost divided by the total EBUs:

$\text{Unit Cost Per EBU} = \text{Total Cost} / \text{Total EBUs}$
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As described above, the total assessment assigned to each parcel has been calculated based on the preceding factors. Based on the above methodology, the apportionment factors, EBUs, unit assessment rates, and total assessment calculated for each parcel can be found in the Assessment Roll (Exhibit C).

Summary Results

The Boundary Map for the District is shown in Exhibit A.

An estimate of the maintenance costs associated with District improvements is shown in Exhibit B.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EBUs and Fiscal Year 2004 District assessment for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2004 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE

C 52792

Alex Bucher, EIT

CA 112628

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

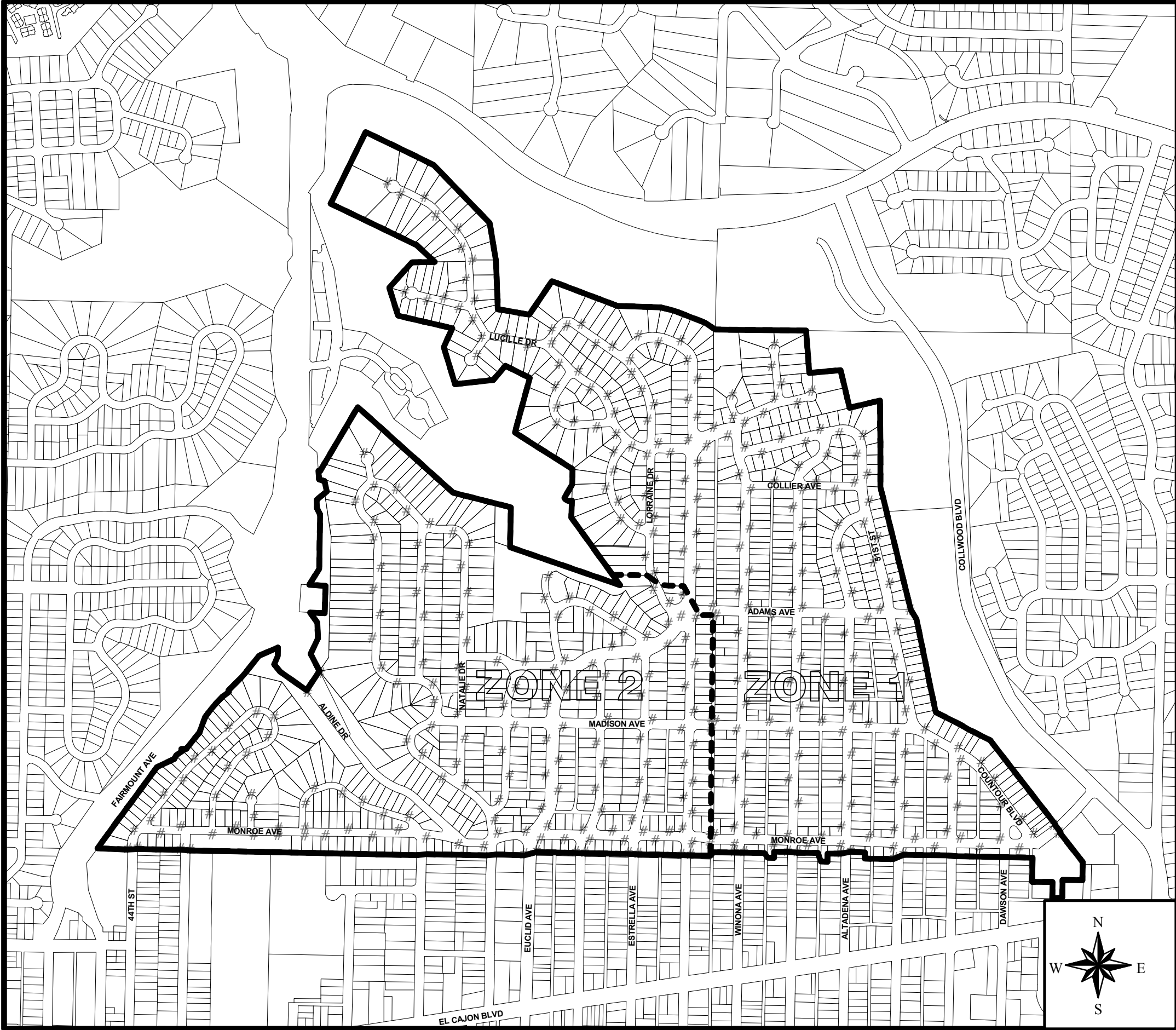
I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram was recorded in my office on the _____ day of _____, 2003.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A



BOUNDARY MAP

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2000.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE TALMADGE MAINTENANCE ASSESSMENT DISTRICT, CITY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2000, BY ITS RESOLUTION NO. _____.

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

PREPARED BY:
BOYLE ENGINEERING CORPORATION
7807 Conroy Court, Suite 200, San Diego, California 92111 (619) 268-8080

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

NOTE:
FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF LOTS OR PARCELS SHOWN ON THIS MAP, REFER TO THE COUNTY ASSESSOR'S MAPS WHICH SHALL GOVERN WITH RESPECT TO ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

- LEGEND:
- District Boundary
 - Zone Boundary
 - District Improvements *

* REFERENCE IS MADE TO THE TALMADGE BEAUTIFICATION MASTER PLAN FOR EXACT LOCATION & TYPE OF DISTRICT IMPROVEMENTS.



CITY OF
SAN DIEGO

TALMADGE
MAINTENANCE ASSESSMENT DISTRICT

W.O. DATE: MAY 2000 REV'S:

EXHIBIT B

Maintenance Assessment Districts

Council District: 3
Fund: 70259

Talmadge

Talmadge Maintenance Assessment District			
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
Positions	0.08	0.08	0.08
Personnel Expense	\$ 620	\$ 6,005	\$ 5,879
Non-Personnel Expense	18,305	254,445	358,395
TOTAL	\$ 18,925	\$ 260,450	\$ 364,274

The Talmadge Maintenance Assessment District (District) was established in 2000 to fund installation and maintenance of ornamental lighting, decorative gates, landscaping, hardscape features (sidewalks, curbs, gutter, etc.), trees and other community-wide improvements. The District is located in the Talmadge neighborhood, situated between Fairmont Avenue and Collwood Boulevard, north of Monroe Avenue.

The Fiscal Year 2004 Proposed Budget was approved by the Talmadge Maintenance Assessment District Board on March 25, 2003.

TALMADGE	FY 2003 ESTIMATE	FY 2004 PROPOSED
BALANCE	\$ 231,524	\$ 222,208
Revenue		
Assessments	\$ 128,102	\$ 128,102
Interest	5,000	13,964
TOTAL OPERATING REVENUE	\$ 133,102	\$ 142,066
TOTAL REVENUE AND BALANCE	\$ 364,626	\$ 364,274
Capital Improvements Program		
Capital Improvements Program	\$ 125,000	\$ -
TOTAL CAPITAL IMPROVEMENTS	\$ 125,000	\$ -
Expense		
Personnel	\$ 2,339	\$ 5,879
Contractual	-	10,000
Incidental	7,039	15,563
Utilities	8,040	10,175
Contingency Reserve	-	322,657
TOTAL EXPENSE	\$ 17,418	\$ 364,274
TOTAL EXPENSE AND CAPITAL IMPROVEMENTS	\$ 142,418	\$ -
BALANCE	\$ 222,208	\$ -
Assessment per EBU: ⁽¹⁾	\$ 80.00	\$ 80.00

⁽¹⁾ The District contains 1,601.28 Equivalent Benefit Units (EBUs): 1,001.12 EBUs in Zone 1, and 600.16 EBUs in Zone 2. Both zones are assessed \$80.00 per EBU.

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.